



## ISA THIRD QUARTER 2013 FINANCIAL RESULTS



Medellín, Colombia, October 28, 2013

ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) (“ISA” or “the Company”), a Colombian organization engaged in the businesses of Energy Transmission, Road Concessions, Telecommunications Transport and Intelligent Management of Real-Time Systems, today announced the financial results for the third quarter of 2013. Unaudited figures are expressed in millions of Colombian pesos (COP). The consolidation process includes 100% of the companies where ISA holds control and the homologation of the accounting practices of each country (Chile, Brazil and Peru currently report based on IFRS – International Financial Reporting Standards), according to *Generally Accepted Accounting Principles in Colombia* (GAAP).

### ■ ECONOMIC AND FINANCIAL RESULTS AS OF SEPTEMBER 2013

- **Consolidated operating revenues** were COP 2,637,168 million.
- **EBITDA** reached COP 1,487,402 million, with a 56.4% EBITDA margin.
- **Net income** was COP 327,308 million, with a 12.9% margin before minority interest.
- **Consolidated assets** were COP 26,765,308 million.

Accumulated net income for ISA and its companies for the period ended September 2013, was COP 327,308 million, representing a 47.8% increase compared to the same period of the previous year.

Both, the accumulated financial results for the period ended September 2013 as well as the third quarter results, were positively impacted by the recognition as a financial asset (formerly an intangible asset) of the Chilean and Brazilian concessions. As explained in detail in the 2013 second quarter, this change became effective for the 2013 fiscal period, according to the technical concept issued by the General Accounting Office (*Contaduría General de la Nación*, CGN<sup>1</sup>).

Moreover, the results also include the impact of the early termination and subsequent renewal of Concession Contract 059 of 2001 in affiliate CTEEP<sup>2</sup>, the net effect of the provision regarding the account receivable in CTEEP and ISA Capital do Brasil in Brazil, to the state of São Paulo, related to Law 4819<sup>3</sup>, and the consolidation of Evrecy Participações Ltda since the first quarter 2013.

<sup>1</sup> See Highlights Recognition of Financial Asset

<sup>2</sup> See details in Highlights 4Q12 Results Report

<sup>3</sup> See Highlights Law 4819



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It is important to note that the conversion impact on the consolidated financial statements generated significant variations in the various items, mainly due to the revaluation effects of the Colombian peso against the Brazilian Real at the Brazilian affiliates and subsidiaries<sup>4</sup> and the devaluation of the Colombian peso against the Chilean peso<sup>5</sup>; however, the effect was largely neutralized in the net result.

## ■ CONSOLIDATED INCOME STATEMENT

### Consolidated operating revenues

For the third quarter of 2013, accumulated operating revenues reached COP 2,637,168 million, a decline of 18.9%, or COP 616,481 million, compared with the same period of 2012. This was mainly generated by the effects of the early termination and subsequent renewal of Concession Contract 059 in CTEEP.

(Figures in millions)

OPERATING REVENUES	3Q13	3Q12	Change COP	Var. %	3Q13 USD	9M13	9M12	Change COP	Change %	9M13 USD
Energy Transmission	643,392	835,680	-192,288	-23.0%	336	1,785,618	2,545,066	-759,448	-29.8%	933
Road Concessions	220,040	178,940	41,100	23.0%	115	685,563	557,911	127,652	22.9%	358
Telecommunications Transport	35,526	27,764	7,762	28.0%	19	101,661	84,675	16,986	20.1%	53
Intelligent management of real-time systems	21,913	25,065	-3,152	-12.6%	11	64,327	65,997	-1,670	-2.5%	34
<b>TOTAL OPERATING REVENUES</b>	<b>920,871</b>	<b>1,067,449</b>	<b>-146,578</b>	<b>-13.7%</b>	<b>481</b>	<b>2,637,168</b>	<b>3,253,649</b>	<b>-616,481</b>	<b>-18.9%</b>	<b>1,377</b>

During the third quarter of 2013, operating revenues decreased 13.7%, given the lower revenues from energy transmission in Brazil.

### Composition of accumulated revenues by business

- **Energy Transmission** contributed COP 1,785,618 million, equivalent to 67.7% of the operating revenues for the accumulated nine months of 2013. This result represented 29.8% decline, compared with the amount reported in the same period in 2012, mainly due to lower revenues in CTEEP. Due to this decrease the consolidated revenues from Evrecy Participações Ltda. were absorbed as well as higher revenues in Peru, mainly generated by the entry into operation of the Zapallal Trujillo project by affiliate TRANSMANTARO at the end of 2012.
- **Road Concessions** contributed 26.0% of all accumulated revenues (9M13), equal to COP 685,563 million, representing a 22.9% increase compared with the same period last year. This was due to the recognition of concessions as financial assets.
- **Telecommunications Transport** contributed COP 101,661 million, which represented 3.9% of total operating revenues. Accumulated revenues increased 20.1% compared to the accumulated revenues reported on September 2012, due to new service agreements, mainly in Peru and Colombia.

<sup>4</sup> COP/BRL average for 9M 2013 was 875.07 vs. 935.45 for 9M 2012

<sup>5</sup> COP/CLP average for 9M 2013 was 3.80 vs. 3.67 for 9M 2012

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- **Intelligent Management of Real-Time Systems** accounted for COP 64,327 million, equal to 2.4% of all accumulated revenues at September 2013, and decreased 2.5% compared to the same period in 2012. This was due to lower regulated revenues in XM, which depend on the investment expenditure levels at the Company.

Third quarter variations are explained by the same reasons that affected the accumulated results and generated decreased revenues in the Energy Transmission and Intelligent Management of Real-Time Systems businesses, and an increase in the Road Concessions and Telecommunications Transport businesses.

### Consolidated revenues by country:

In accumulated terms, the composition of revenues by country is as follows: Colombia contributed 38.6%, Chile 26.1%, Brazil 23.1% and Peru 11.1%.

The results in Brazil, both accumulated and those corresponding to the third quarter, were affected by decreased revenues due to the termination and subsequent renewal of Concession Contract 059, and partially offset by the recognition of concessions as a financial asset. In Chile, revenues increased due to the recognition of concessions as financial assets. In Peru, where there was a significant increase in revenues, the entry into operation of Zapallal Trujillo project by the end of 2012 is reflected.

(Figures in millions)

	3Q13	3Q12	Change COP	Var. %	3Q13 USD	9M13	9M12	Change COP	Change %	9M13 USD
Colombia	348,616	336,904	11,712	3.5%	182	1,018,919	1,006,852	12,067	1.2%	532
Chile	221,436	179,784	41,652	23.2%	116	688,541	559,651	128,890	23.0%	360
Brazil	242,333	461,286	-218,953	-47.5%	127	609,045	1,423,559	-814,514	-57.2%	318
Peru	97,350	81,064	16,286	20.1%	51	291,782	237,053	54,729	23.1%	152
Others	11,137	8,411	2,726	32.4%	6	28,881	26,534	2,347	8.8%	15
<b>TOTAL</b>	<b>920,871</b>	<b>1,067,449</b>	<b>-146,578</b>	<b>-13.7%</b>	<b>361</b>	<b>2,637,168</b>	<b>3,253,649</b>	<b>-616,481</b>	<b>-18.9%</b>	<b>956</b>

### Operating costs and expenses

**Consolidated operating costs and expenses** for the first nine months of 2013 were COP 1,489,923 million, a 7.3% decrease compared with the figure reported for the same period of 2012 (COP 1,606,471 million). This variation was due to the decline in amortizations and depreciations, particularly due to the change from intangible asset to financial asset of the Chilean and Brazilian concessions, which imply the elimination of the amortization of intangible assets and the inclusion of construction costs from these concessions.

The composition of operating costs and expenses by country is as follows: 37.5% in Colombia, 37.4% in Brazil, 12.5% in Chile and 11.3% in Peru.

Operating costs and expenses for the third quarter declined by 9.5%, for the same reasons explained for the accumulated operating costs and expenses for the period ended in September 2013.

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*(Figures in millions)*

	3Q13	3Q12	Change COP	Var. %	3Q13 USD	9M13	9M12	Change COP	Change %	9M13 USD
Sales and operating costs and expenses	378,697	361,479	17,218	4.8%	198	1,173,900	1,045,956	127,944	12.2%	613
Depreciation	40,632	30,916	9,716	31.4%	21	118,080	115,882	2,198	1.9%	62
Amortization	47,924	136,409	-88,485	-64.9%	25	151,447	425,279	-273,832	-64.4%	79
Provisions	14,001	2,700	11,301	418.6%	7	46,496	19,354	27,142	140.2%	24
<b>TOTAL</b>	<b>481,254</b>	<b>531,504</b>	<b>-50,250</b>	<b>-9.5%</b>	<b>251</b>	<b>1,489,923</b>	<b>1,606,471</b>	<b>-116,548</b>	<b>-7.3%</b>	<b>778</b>

## Operating income

As a result of the previously mentioned, ISA's consolidated result reached an accumulated operating income for the nine months ended September 30, 2013, of COP 1,147,245 million. This figure was 30.4% below the figure obtained in the same period last year. The operating margin was 43.5%.

Operating income was COP 439,617 million for the third quarter of 2013, 18.0% below the figure reported for the same period of 2013, with a 47.7% operating margin.

## EBITDA and EBITDA margin

Consolidated accumulated EBITDA as of September 2013 reached COP 1,487,402 million, a 33.4% decrease compared to the figure reported for the same period of 2012, mainly due to lower revenues in Brazil. EBITDA for the third quarter of 2013 was COP 549,816 million, 23.1% lower than the figure obtained in the third quarter of 2012, for the same reasons.

Accumulated EBITDA margin (9M13) reached 56.4%, while EBITDA margin for the third quarter was 59.7%.

## Non-operating result (loss)

With respect to the same period last year, the consolidated non-operating result generated a 42.0% increase in expenses, accumulated as of September 2013. This behavior was explained by:

- **Brazil:** higher non-operating expenses as a result of the net effect of the provision in CTEEP and ISA Capital do Brasil of the account receivable from the state of São Paulo, related to Law 4819. In addition, increased revenues were generated under the equity method in joint control companies<sup>6</sup>, derived from the recognition of concessions as financial assets.
- **Colombia:** lower debt interest expenses, higher revenues from financial returns and higher revenues from the exchange rate difference on accounts receivable.
- **Chile:** higher financial expenses mainly due to the financial update on preexisting infrastructure liabilities with the Ministry of Public Works, due to recognition of concessions as financial assets in 2013.

<sup>6</sup> IEMadeira, IENE, IESUL and IEGaranhuns.

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- **Peru:** higher financial expenses due to amortization of capitalized debt costs due to prepayment of Transmantaro's debt; higher interest due to the debt related with the entry into operation of the Zapallal - Trujillo project and higher expenditures due to the exchange rate difference between the U.S. dollar and the Peruvian Sol on the accumulated fiscal credit balances.

The non-operating result showed higher expenses for 293.3% for the third quarter of 2013, due to the events affecting accumulated results for the year.

### Taxes

Income tax expenses decreased 90.6%, from COP 441,157 million in the accumulated results at September 2012 to COP 41,411 million in the same period of 2013. This variation was mainly due to lower taxes in CTEEP related to lower revenues at this operation as well as the deferred tax benefit generated by the provision of the account receivable from the state of São Paulo, related to Law 4819.

As of September 2013 the composition of income tax by country was: Colombia COP 116,336 million, Brazil -COP 118,833 million, Chile COP 22,591 million, Peru COP 17,683 million and COP 3,634 million for others.

During the third quarter, income tax expenditures declined 143.2% for the same reasons explained in the accumulated result of the year.

### Income before minority interest

Consolidated income before minority interest, accumulated at September 2013, was COP 340,932 million, a 48.9% decrease compared with the accumulated figure for the same period of 2012. The accumulated net margin before minority interest was 12.9% and the net margin before minority interest for the third quarter was 0.6%.

The accumulated minority interest for the third quarter of 2013 reached COP 13,624 million, a 96.9% decrease compared with the same period of 2012, explained by lower results in Brazil. For the same reasons, the 3Q13 minority interest decreased 179.8% compared with the same period of 2012.

### Net income

As of September 2013, accumulated net income was COP 327,308 million, representing a 47.8% increase compared to the figure reported during the same period of 2012 (COP 221,386 million), basically due to the impact of the recognition of the Chilean and Brazilian concessions as financial assets, which absorbed the negative effects of the early termination and subsequent renewal of Concession Contract 059/2001, as mentioned previously in this report.

## ■ CONSOLIDATED BALANCE SHEET

### Assets

Assets for ISA and its companies totaled COP 26,765,308 million, a 3.9% increase compared to December 2012. This increase was the result of the net effect of the recognition of Chilean and Brazilian concessions as financial assets, partially offset by the provision of the account receivable from the state of São Paulo, related to Law 4819 in CTEEP.

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The geographical distribution of assets by country was concentrated in Chile, Colombia, Brazil and Peru with 33.9%, 28.1%, 26.5% and 11.1%, respectively.

### Liabilities

Consolidated assets were COP 15,234,791 million, a decrease of 1.6%, as a result of the debt amortization in CTEEP as well as lower liabilities due to preexisting infrastructure in Chile<sup>7</sup>, partially offset by the conversion effect and bond issuance in Peru.

The distribution of liabilities by country was 45.7% in Chile, 23.0% in Colombia, 18.2% in Brazil, 12.7% in Peru and the remaining 0.4% in Bolivia and Argentina.

### Minority interest

Minority interest reached COP 3,984,758 million, a 4.5% decrease compared to the figure for December 2012. This situation was due to the partial repurchase from HSBC of the preferential shares of ISA Capital do Brasil and lower results in CTEEP.

### Equity

Equity reached COP 7,545,759 million, a 23.5% increase, compared with COP 6,110,615 million reported in 2012, mainly due to the recognition of Chilean and Brazilian concessions as financial assets and the results of the period.

## ■ CONSOLIDATED CASH FLOW

As of September 2013, cash and cash equivalents was COP 2,585,324 million, an increase of COP 908,418 million compared to the end of the 2012 period, generated by operating activities for COP 2,799,215 million, mainly by the receipt of the compensation for early termination and subsequent renewal of Contract 059/2001 in CTEEP related with assets invested after May 2000 for COP 1,734,524 million. These resources were used in: a) investment activities (COP 639,022 million) such as the acquisition of property, plant and equipment and intangibles, and b) financing activities for COP 1,251,775 million used for the payment of debt service and dividends.

## ■ DEBT

At the end of September 2013, the consolidated financial debt was COP 9,316,322 million, with 0.8% decrease compared to December 2012 (COP 9,392,246 million).

The following factors had an impact on the results for third quarter 2013 period:

- In Colombia, ISA paid the Fifth Tranche of Bonds Issuance and Placement Program for COP 110,000 million, according to the maturity schedule.

<sup>7</sup> Assets under operation received from the MOP to be maintained and managed.





- TRANSMANTARO in Peru, received disbursements for USD 13.0 million, REP paid bonds for USD 4.9 million and USD 0.8 million in loans, and ISA PERU paid USD 0.6 million as scheduled.
- CTEEP in Brazil made prepayments to BNDES for BRL 37.2 million.
- Concessionaire Ruta del Maule in Chile paid UF 301,449, Ruta del Bosque paid UF 614,259 and capitalized interest for UF 28,434; Ruta de la Araucanía paid UF 188,472 and Ruta de los Ríos paid UF 273,281.

(Figures in millions)

Consolidated debt	Business	Sep. 2013	2012	Change COP	Change %	Sep. 2013 USD
<b>CHILE</b>		<b>4,383,678</b>	<b>4,329,812</b>	<b>53,865</b>	<b>1.2%</b>	<b>2,290</b>
Ruta del Maipo	Road Concessions	2,289,179	2,197,950	91,229	4.2%	1,196
Ruta del Maule	Road Concessions	407,676	416,594	-8,918	-2.1%	213
Ruta de la Araucanía	Road Concessions	689,447	637,553	51,894	8.1%	360
Ruta del Bosque	Road Concessions	607,816	663,745	-55,929	-8.4%	317
Ruta de los Rios	Road Concessions	359,016	390,523	-31,507	-8.1%	188
Internexa en Chile	Telecommunications Transport	30,543	23,448	7,096	30.3%	16
<b>COLOMBIA</b>		<b>1,791,554</b>	<b>1,776,694</b>	<b>14,860</b>	<b>0.8%</b>	<b>936</b>
ISA Colombia	Energy Transmission	1,430,554	1,424,694	5,860	0.4%	747
Transelca	Energy Transmission	360,000	350,000	10,000	2.9%	188
Internexa	Telecommunications Transport	1,000	2,000	-1,000	-50.0%	1
<b>BRASIL</b>		<b>1,620,289</b>	<b>2,165,368</b>	<b>-545,080</b>	<b>-25.2%</b>	<b>846</b>
ISA Capital	Energy Transmission	60,601	55,966	4,634	8.3%	32
CTEEP	Energy Transmission	1,334,764	1,885,360	-550,596	-29.2%	697
IEMG	Energy Transmission	41,691	45,305	-3,614	-8.0%	22
IEPINHEIROS	Energy Transmission	110,899	101,308	9,591	9.5%	58
Serra Do Japi	Energy Transmission	72,334	77,429	-5,095	-6.6%	38
<b>PERU</b>		<b>1,462,177</b>	<b>1,057,266</b>	<b>404,911</b>	<b>38.3%</b>	<b>764</b>
ISA Perú	Energy Transmission	24,396	26,883	-2,486	-9.2%	13
REP	Energy Transmission	471,999	432,322	39,677	9.2%	247
Transmantaro	Energy Transmission	951,581	583,915	367,666	63.0%	497
Internexa in Peru	Telecommunications Transport	14,200	14,146	54	0.4%	7
<b>BOLIVIA</b>		<b>50,811</b>	<b>55,457</b>	<b>-4,646</b>	<b>-8.4%</b>	<b>27</b>
ISA Bolivia	Energy Transmission	50,811	55,457	-4,646	-8.4%	27
<b>ARGENTINA</b>		<b>7,814</b>	<b>7,649</b>	<b>165</b>	<b>2.2%</b>	<b>4</b>
Transamerican Telecommunication	Telecommunications Transport	7,814	7,649	165	2.2%	4
<b>TOTAL</b>		<b>9,316,322</b>	<b>9,392,246</b>	<b>-75,924</b>	<b>-0.8%</b>	<b>4,866</b>

34.7% of debt was denominated in *Unidades de Fomento* -UF- (Chile), 18.1% in Colombian pesos, 15.0% in Brazilian Reais, 30.5%<sup>8</sup> in U.S. dollars and 1.7% in other currencies. Approximately, 69.3% of debt is placed in the capital markets and 30% is placed with financial institutions.

<sup>8</sup> It includes Bond 144A of Maipo holding a Swap at UF's

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85.04% of the debt is long-term and the remaining 14.96% is short-term.

### ■ CAPEX and INVESTMENTS

ISA's and its companies' approximate investment at September 2013 reached COP 897,152 million. During the third quarter it added COP 370,952 million to this amount, including direct investments and capital contributions:

- In **Colombia**, investments were made in new construction and connection projects for substations and capital contributions for INTERCHILE. In turn, INTERNEXA made capital contributions to its affiliates.
- In **Brazil**, CTEEP made operating investments and capital contributions to IEMADEIRA during the third quarter of 2013.
- In **Peru**, certain reinforcement and connection projects, construction projects as well as changes in the configuration of certain substations and expansions were carried out during the third quarter of 2013.

(figures in millions)

	1Q13	2Q13	2Q13	9M13	%	2013E
<b>Colombia</b>	78,443	78,569	126,552	283,563	31.6%	544,792
<b>Brazil</b>	78,220 <sup>9</sup>	138,554	130,535	347,310	38.7%	489,162
<b>Peru</b>	68,969	51,731	102,683	223,382	24.9%	486,197
<b>Chile</b>	14,451	16,363	11,182	41,996	4.7%	13,855
<b>Other</b>	37	865	0	902	0.1%	1,507
<b>TOTAL</b>	<b>240,120</b>	<b>286,081</b>	<b>370,952</b>	<b>897,152</b>	<b>100.0%</b>	<b>1,535,512</b>

The above information corresponds to the sum of individual investments, not to the result of a consolidation process. Conversion into Colombian pesos was made taking into account the average rate for the quarter.

<sup>9</sup> It includes investments of Serra do Japi and Evrecy Participações





## ■ ISA'S RESULTS, INDIVIDUAL

### Operating income

The accumulated operating result at September 2013 increased 3.1% compared to the same period of 2012, from COP 367,572 million to COP 379,019 million, mainly explained by the net effect of:

- Lower operating revenues of COP 2,046 million, a 0.3% decrease due to lower revenues from construction contracts for third parties and other non-recurrent operating revenues.
- Lower operating costs of COP 13,493 million, a 3.6% decrease compared to September 2012, explained by the net effect of: a) lower maintenance costs, especially regarding collapsed towers, b) decline of depreciation expenses, as a result of the review and update of the remaining life of substation assets for the third quarter of 2012, c) lower costs associated to construction projects for third parties, and d) higher contributions and taxes.

Operating income for the third quarter increased 9.6% compared with the same period of 2013, as net result of a 3.5% revenue increase and a 2.4% decrease in costs and expenses.

### EBITDA and EBITDA margin

Accumulated EBITDA increased 2.0% at September 2013 from COP 456,103 million in 2012 to COP 465,390 million in 2013, especially due to decreased maintenance expenses; as a result, the EBITDA margin increased 62.4%, 1.4 percentage points above the percentage reported for the same period of 2012. On the other hand, EBITDA increased 13.0% in the third quarter 2013 compared to the third quarter 2012, basically for the same reasons mentioned for the accumulated figure.

### Non-operating results (losses)

Compared to the accumulated result of September last year, the non-operating result increased COP 107,979 million, from -COP 70,563 million in 2012 to COP 37,416 million in 2013. This was mainly due to the net effect of:

- Higher revenues under the equity method, generated by the recognition of the energy transmission concessions in Brazil and road concessions in Chile as financial assets in accordance to Colombian regulation, partially offset by lower revenues from CTEEP, as a result of the early termination and subsequent renewal of Concession Contract 059 and the recognition of the provision of the account receivable related to Law 4819.
- Higher financial returns.
- Higher revenues from the exchange rate difference associated with loans to affiliates.

The non-operating result increased COP 29,351 million in the third quarter compared with the same period of 2012, due to the recognition of Brazilian and Chilean concessions as financial assets and lower financial expenses.

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## Taxes

The accumulated income tax provision for the first nine months of 2013 went from COP 75,623 million in 2012 to COP 89,127 million at the end of the same period of 2013, representing an increase of 17.9%. This variation was due to higher fiscal income, derived from lower financial expenses and higher revenues from the exchange rate differences. This variation also explains the 29.9% increase during the third quarter of 2013 compared to the third quarter of 2012.

## Net income

The accumulated figure for the first nine months of 2013 was COP 327,308 million, 47.8% above the figure reported in the same period last year. In turn, the net margin was 43.9%, 14.3 percentage points above the accumulated result at September 2012.

Income increased 45.0% in the third quarter of 2013 compared to the third quarter of 2012. The net margin for the 3Q13 was 42.9%.

### ■ ISA'S BALANCE SHEET, INDIVIDUAL

As of the end of the third quarter of 2013, ISA's assets were COP 10,453,340 million, 17.3% above the figure reported at the end of 2012, due to the recognition of Brazilian and Chilean concessions as financial assets in accordance with Colombian regulations; the increase derived from the conversion effects on permanent investments and higher investments in construction projects.

Liabilities were COP 2,907,388 million, representing a 4.1% increase compared to the figure reported at the end of 2012, mainly due to the increase of estimated liabilities, especially regarding income tax.

At the end of the third quarter of 2013, equity was COP 7,545,952 million, 23.3% above the figure reported at the end of 2012. This variation was generated as a result of the change of Brazilian and Chilean concessions as financial assets, the conversion effect of foreign investments and the increase of the results of the period.

### ■ ISA'S CASH FLOW, INDIVIDUAL

At the end of the third quarter of 2013, cash and cash equivalents was COP 304,214 million, an increase of COP 68,628 million compared to the end of 2012, mainly generated by operating activities (COP 500,500 million) and utilized for: a) investment activities (COP 154,470 million) such as companies and purchase of property, plants and equipment, this figure is partially offset by the payment of dividends from affiliates for COP 86,804 million, and b) financing activities for COP 277,402 million, used for the payment of dividends and interests.

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## ■ HIGHLIGHTS JULY 2013 – OCTOBER 2013

### Relevant Information

- Camilo Barco Muñoz, ISA's Chief Financial Officer since 2008, submitted his resignation effective from July 15. Judith Cure Cure, Vice President of Affiliates took over the role, with extensive experience in the Company's financial management.
- In Peru, ISA was awarded the bid to design, finance, build, operate and maintain a 500-kV, 900-km long transmission line and associated substations. Expected annual revenues are approximately US\$ 41.5 million and the estimated maximum reference investment by Proinversión is approximately US\$ 412 million. The project must be operational within 38 months, beginning from the date of the official awarding of the project, with a concession period of 30 years.
- INTERCOLOMBIA S.A. E.S.P. was incorporated, an affiliate dedicated to energy transmission as well as the provision of connected, supplementary and related services; the development of activities inherent to engineering; the provision of technical and non-technical services related with the aforementioned activities; and to represent, manage, operate and maintain the assets for use and connection of the National Transmission System (*Sistema de Transmisión Nacional, STN*) belonging to other energy transmission companies. This initiative is the result of studies conducted in prior years that recommended the separation of the matrix role for the evolution of the business group and framed within the strategic update currently carried out, which is based on pillars of growth, efficiency and optimization of the investment portfolio and which seeks to focus on activities that separate the double role played by the Company, in a matrix focused on corporate strategic issues (ISA) and an affiliate that will use and optimize the existing capacities to apply them on energy transmission (INTERCOLOMBIA).
- The new Technical Center (*Centro Técnico*), an area essential for the implementation of ISA's strategic update, will be managed by César Augusto Ramírez Rojas, who managed the CTEEP subsidiary for the last 5 years.
- The International Financial Corporation -IFC-, the IFC GIF BRASIL – Investment Fund -GIF- and INTERNEXA, signed an agreement that will enable the Company to finance and structure telecommunications and information technology projects in Brazil. These entities support the implementation of this sort of projects by the incorporation of capital into INTERNEXA'S Brazilian affiliate called INTERNEXA PARTICIPAÇÕES S.A. Initially, a contribution of up to USD 50 million from IFC/GIF to the Brazilian company.
- The Agência Nacional de Energia Elétrica de Brasil -ANEEL- authorized a contract to be entered between CTEEP (ISA's subsidiary) and INTERNEXA (ISA's affiliate) to install information transport networks on high-voltage lines granted to CTEEP in the state of São Paulo, Brazil.

### Recognition of concessions as Financial Assets

As of the second quarter of 2013 and for the 2013 effective period, Chilean and Brazilian concessions are treated as financial assets for accounting purposes, according to the technical concept issued by the General Accounting Office (*Contaduría General de la Nación, CGN*) N° 20132000017991 of May, 28, 2013.

The above implies that the treatment provided to such concessions is the same applied in their country of origin, to show on ISA's results the business reality; it consists in an accounts receivable formed during the construction stage with the investment costs for the projects, their associated margin and the present net value of the payment flows for preexisting infrastructure at the beginning of the concession. Periodically, this account receivable increases from revenues corresponding to construction services, revenues from the management, operation and maintenance

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service and the financial returns from the financial asset, calculated with the implicit rate that equals the value of the account receivable at the end of the construction and future flows from payments received. On the other hand, the account receivable decreases mainly due to the application of toll collection and the regulations and the payments directly received from assignor.

Beginning in 2013, upon the change to the recognition as financial assets, such recognition is made as follows: a) the operating revenues including construction services, revenues from the operation, management and maintenance service and financial returns from the account receivable (financial asset); b) operating expenses include construction costs; c) financial expenses include the recognition of the update of liabilities held with the MOP regarding the preexisting infrastructure; and d) the amortization of the financial asset is made in the same account receivable.

### Law 4819

State Law 4819 of 1958 extends to the officers from government-controlled mixed capital companies of the State of São Paulo the same advantages as those granted to other public servants, including the retirement supplement. The Law is only applicable to workers that joined such companies until May 1974.

The Secretary of Finance of the State of São Paulo (“*Hacienda*”) recognizes the benefits of retirees by using, for the payment thereof, a procedure that includes CTEEP (formerly CESP) as intermediary of moneys transferred to CESP foundation and that are further paid to retirees. As from 2004, *Hacienda* changed its position, by keeping its payment commitment for approximately 70% of these benefits and transfers, as from 2005, the equivalent to this amount. Meanwhile, CTEEP pays to the foundation 100% of the same, as mandated by judicial decision, creating an account receivable on the 30% not recognized by *Hacienda*.

The situation has been subject to multiple legal actions, both from retirees and CTEEP. CTEEP raised legal action for collection in 2010 against *Hacienda* for amounts corresponding to accounts receivable.

In turn, ISA Capital do Brasil at the time of acquiring CTEEP, created a liability associated to eventual effects of Law 4819. To this date, there are judicial pronouncements in this connection and the recognition by *Hacienda* of its liability on certain amounts related to the obligations under Law 4819, which is a positive precedent in favor of CTEEP.

CTEEP’s management made a provision on the account receivable from *Hacienda* equal to COP 298,097 million (BRL 341 million), net of taxes, on the amounts that have not yet been subject to judicial decision and acceptance by *Hacienda*, and which recovery has extended over time.

ISA Capital do Brasil accounts for, by equity method, 37.8% of the amount of provision made in CTEEP, and in order to prevent a double provision for obligations under Law 4819, it recognizes net revenues from taxes for COP 97,618 million (BRL 112 million), generating a negative net effect of COP 15,078 million (BRL 17 million) in its financial statements. ISA’s financial information at September 2013 includes this effect.

This report main contain forward-looking statements regarding the performance of ISA and should be taken in good faith by institutions; said forward-looking statements reflect the views of management and are based on currently available information, which assumes risks and uncertainties, including economic conditions and those from other markets, as well as the exchange rate variation and other financial variables respect to which ISA S.A. E.S.P. may not be held responsible, directly or indirectly, for financial operations that the public may conduct in reliance of the information hereby presented.



## ■ DATA ON MARKET AND ADDITIONAL INFORMATION

### Exchange rates

EXCHANGE RATES	9M12 average	9M13 average	Change %	2011 last	Sep-12 last	Change %	2012 last	Sep-13 last	Change %
COP / DOLLAR USD	1,795.22	1,853.82	3.3	1,942.70	1,800.52	(7.3)	1,768.23	1,914.65	8.3
REAL / DOLLAR USD	1.92	2.12	10.4	1.88	2.03	8.3	2.04	2.23	9.1
CPL / DOLLAR USD	489.43	488.25	(0.2)	519.20	473.77	(8.8)	479.96	504.20	5.1
COP / REAL	935.45	875.06	(6.5)	1,035.66	886.69	(14.4)	865.29	858.59	(0.8)
COP / CPL	3.67	3.80	3.5	3.74	3.80	1.6	3.68	3.80	3.1

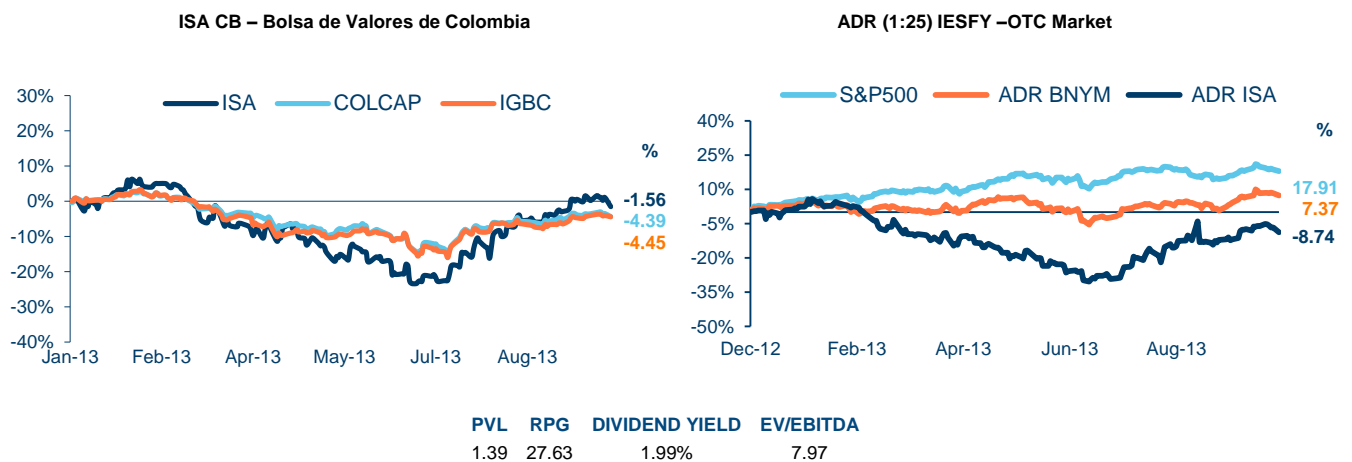
### ISA Risk Ratings

Fitch Ratings May 2013	Standard & Poor's July 2013	Moody's December 2012
BBB Positive Stable	BBB- Stable Outlook	Baa3 Stable Outlook

### Stock composition at September 2013

	Number of shares	%
The Colombian Government	569,472,561	51.4%
Private investors (float)	348,226,256	31.4%
EPM- Empresas Públicas de Medellín	112,605,547	10.2%
Companies with public and private capital	77,373,530	7.0%
<b>Subscribed and paid-in Capital</b>	<b>1,107,677,894</b>	<b>100.0%</b>

### ISA's share (valuation and multiples)



## ISA'S DIRECT AND INDIRECT PARTICIPATION IN SUBSIDIARIES

COMPANY	% ISA's direct	% Indirect through Other Subsidiaries	Through the subsidiary:
<b>ENERGY</b>			
TRANSELCA S.A. E.S.P.	99.9973%	0.0000%	
RED DE ENERGIA DEL PERÚ -REP	30.0000%	30.0000%	TRANSELCA S.A. E.S.P.
CONSORCIO TRANSMANTARO S.A.	60.0000%	0.0000%	
ISA PERÚ S.A.	45.1464%	54.8536%	TRANSELCA S.A. E.S.P.
ISA BOLIVIA S.A.	50.9999%	48.9900%	TRANSELCA S.A. E.S.P.
		0.0101%	INTERNEXA S.A.
CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA -		37.8059%	ISA CAPITAL DO BRASIL S.A.
INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. - IENNE		25.0000%	CTEEP
INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. - IEMG -		100.0000%	CTEEP
INTERLIGAÇÃO ELETRICA PINHEIROS S.A. - IEPINHEIROS		99.9990%	CTEEP
INTERLIGAÇÃO ELETRICA SUL S.A. - IESUL		50.1000%	CTEEP
INTERLIGAÇÃO ELETRICA DO MADEIRA S.A. - IEMADEIRA -		51.0000%	CTEEP
INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI		99.9990%	CTEEP
INTERLIGAÇÃO ELÉTRICA GARANHUNS S.A.		51.0000%	CTEEP
EVRECY		100.0000%	CTEEP
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	50.0000%		
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	50.0000%		
EMPRESA PROPIETARIA DE LA RED S.A. - EPR (*)	11.1111%		
INTERCHILE S.A.	99.9000%	0.1000%	ISA INVERSIONES CHILE LTDA
INTERCOLOMBIA S.A. E.S.P.	96.0000%	1.0000%	INTERNEXA S.A. E.S.P.
		1.0000%	ISA PERU
		1.0000%	PDI
		1.0000%	INTERVIAL COLOMBIA
<b>ROADS</b>			
INTERVIAL CHILE S.A.		99.9900%	ISA INVERSIONES CHILE LTDA.
		0.0100%	INTERNEXA S.A.
Ruta del Maipo Sociedad Concesionaria S.A.		99.9999%	INTERVIAL CHILE S.A.
Ruta del Maule Sociedad Concesionaria S.A.		99.9993%	INTERVIAL CHILE S.A.
Ruta del Bosque Sociedad Concesionaria S.A.		99.9909%	INTERVIAL CHILE S.A.
Ruta de los Ríos Sociedad Concesionaria S.A.		75.0000%	INTERVIAL CHILE S.A.
Ruta de la Araucanía Sociedad Concesionaria S.A.		99.9999%	INTERVIAL CHILE S.A.
INTERVIAL Colombia S.A	100.0000%		
<b>TELECOMMUNICATIONS</b>			
INTERNEXA S.A.	99.2745%	0.0000%	TRANSELCA S.A. E.S.P.
INTERNEXA S.A. (PERÚ)		100.00%	INTERNEXA S.A.
INTERNEXA CHILE S.A.		97.2100%	INTERNEXA S.A.
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES S.A.		100.00%	INTERNEXA PARTICIPAÇÕES S.A.
Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA S.A.)		97.7400%	INTERNEXA S.A.
		2.2600%	INTERNEXA PERU
REDCA	11.1111%		
TRANSNEXA S.A. E.M.A.	0.0000%	5.0000%	INTERNEXA S.A.
		45.0000%	INTERNEXA PERU
<b>INTELLIGENT MANAGEMENT OF REAL-TIME SYSTEMS</b>			
XM S.A. E.S.P.	99.7303%		
DERIVEX S.A.		49.9500%	XM S.A. E.S.P.
		0.0250%	INTERNEXA S.A.
Sistemas Inteligentes en Red S.A.S.	15.0000%	85.0000%	XM S.A. E.S.P.
<b>FINANCIAL</b>			
ISA CAPITAL DO BRASIL S.A.	60.0945%		
INTERNEXA PARTICIPAÇÕES S.A.		99.9995%	INTERNEXA S.A.
ISA INVERSIONES CHILE LTDA.	99.9998%	0.0002%	INTERNEXA S.A. E.S.P.
ISA INVERSIONES MAULE	99.9998%	0.0002%	INTERNEXA S.A. E.S.P.
Financiera de Desarrollo Nacional S.A. (antes FEN)	0.0007%		
CAMARA DE RIESGO CENTRAL DE CONTRAPARTE DE COLOMBIA S.A. -CRCC-		7.1254%	XM S.A. E.S.P.
<b>INFRASTRUCTUR</b>			
PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	99.9667%	0.0333%	TRANSELCA S.A. E.S.P.

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## ISA S.A. E.S.P. - CONSOLIDATED - INCOME STATEMENT (Unaudited)

JANUARY – SEPTEMBER 2013

Figures in millions of Colombian pesos

	3Q13	3Q12	Chang COP1	Var. %	3Q13 USD	9M13	9M12	Change COP1	Change %	9M13 USD
<b>OPERATING REVENUES</b>										
Energy transmission services	589,130	720,334	(131,204)	-18.2%	308	1,622,956	2,225,079	(602,123)	-27.1%	848
Connection charges	46,197	87,058	(40,861)	-46.9%	24	131,949	262,415	(130,466)	-49.7%	69
Dispatch and CND (National Dispatch Center)	10,980	9,762	1,218	12.5%	6	35,151	29,947	5,204	17.4%	18
MEM Services	9,384	12,905	(3,521)	-27.3%	5	24,838	30,953	(6,115)	-19.8%	13
Roads	220,009	178,900	41,109	23.0%	115	685,461	557,712	127,749	22.9%	358
Telecommunications	35,526	27,766	7,760	27.9%	19	101,661	84,677	16,984	20.1%	53
Other services	9,645	30,724	(21,079)	-68.6%	5	35,152	62,866	(27,714)	-44.1%	18
<b>TOTAL OPERATING REVENUES</b>	<b>920,871</b>	<b>1,067,449</b>	<b>(146,578)</b>	<b>-13.7%</b>	<b>481</b>	<b>2,637,168</b>	<b>3,253,649</b>	<b>(616,481)</b>	<b>-18.9%</b>	<b>1,377</b>
<b>COSTS AND OPERATING EXPENSES</b>										
Operating costs and administration expenses	378,697	361,479	17,218	4.8%	198	1,173,900	1,045,956	127,944	12.2%	613
Depreciation	40,632	30,916	9,716	31.4%	21	118,080	115,882	2,198	1.9%	62
Amortization	47,924	136,409	(88,485)	-64.9%	25	151,447	425,279	(273,832)	-64.4%	79
Provisions	14,001	2,700	11,301	418.6%	7	46,496	19,354	27,142	140.2%	24
<b>TOTAL COSTS AND OPERATING EXPENSES</b>	<b>481,254</b>	<b>531,504</b>	<b>(50,250)</b>	<b>-9.5%</b>	<b>251</b>	<b>1,489,923</b>	<b>1,606,471</b>	<b>(116,548)</b>	<b>-7.3%</b>	<b>778</b>
<b>Operating Income</b>	<b>439,617</b>	<b>535,945</b>	<b>(96,328)</b>	<b>-18.0%</b>	<b>230</b>	<b>1,147,245</b>	<b>1,647,178</b>	<b>(499,933)</b>	<b>-30.4%</b>	<b>599</b>
<b>NON - OPERATING REVENUES</b>										
Financial	191,710	90,637	101,073	111.5%	100	422,312	148,814	273,498	183.8%	221
Exchange difference	119,325	-23,244	142,569	613.4%	62	238,710	106,633	132,077	123.9%	125
Other	5,791	25,338	(19,547)	-77.1%	3	34,192	45,416	(11,224)	-24.7%	18
<b>Total non-operating revenues</b>	<b>316,826</b>	<b>92,731</b>	<b>224,095</b>	<b>241.7%</b>	<b>165</b>	<b>695,214</b>	<b>300,863</b>	<b>394,351</b>	<b>131.1%</b>	<b>363</b>
<b>NON - OPERATING EXPENSES</b>										
Financial	267,603	267,547	56	0.0%	140	707,317	774,050	(66,733)	-8.6%	369
Exchange difference	115,212	-45,252	160,464	354.6%	60	288,142	44,983	243,159	540.6%	150
Other	453,564	2,535	451,029	17792.1%	237	464,657	20,401	444,256	2177.6%	243
<b>Total non-operating expenses</b>	<b>836,379</b>	<b>224,830</b>	<b>611,549</b>	<b>272.0%</b>	<b>437</b>	<b>1,460,116</b>	<b>839,434</b>	<b>620,682</b>	<b>73.9%</b>	<b>763</b>
<b>Non-operating results</b>	<b>(519,553)</b>	<b>(132,099)</b>	<b>(387,454)</b>	<b>293.3%</b>	<b>-271</b>	<b>(764,902)</b>	<b>(538,571)</b>	<b>(226,331)</b>	<b>42.0%</b>	<b>-399</b>
<b>Income before taxes</b>	<b>-79,936</b>	<b>403,846</b>	<b>(483,782)</b>	<b>-119.8%</b>	<b>-42</b>	<b>382,343</b>	<b>1,108,607</b>	<b>(726,264)</b>	<b>-65.5%</b>	<b>200</b>
Income tax provision	-85,288	197,301	(282,589)	-143.2%	-45	41,411	441,157	(399,746)	-90.6%	22
<b>Income before minority interests</b>	<b>5,352</b>	<b>206,545</b>	<b>(201,193)</b>	<b>-97.4%</b>	<b>3</b>	<b>340,932</b>	<b>667,450</b>	<b>(326,518)</b>	<b>-48.9%</b>	<b>178</b>
Minority interest (MI)	-104,428	130,811	(235,239)	-179.8%	-55	13,624	446,064	(432,440)	-96.9%	7
<b>NET INCOME</b>	<b>109,780</b>	<b>75,734</b>	<b>34,046</b>	<b>45.0%</b>	<b>57</b>	<b>327,308</b>	<b>221,386</b>	<b>105,922</b>	<b>47.8%</b>	<b>171</b>
EBITDA	549,816	714,836	(165,020)	-23.1%	287	1,487,402	2,232,687	(745,285)	-33.4%	777
EBITDA Margin	59.7%	67.0%				56.4%	68.6%			
Operating Margin	47.7%	50.2%				43.5%	50.6%			
Net Margin before MI	0.6%	19.3%				12.9%	20.5%			

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of September 30, 2013, the exchange rate was of USD 1.00=COP 1,914.65 (Source: Banco de la República de Colombia).

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**ISA S.A. E.S.P. - CONSOLIDATED -  
BALANCE SHEET (Unaudited)  
SEPTEMBER 2013**  
*Figures in millions of Colombian pesos*

	Sep. 2013	% Part.	2012	Change COP	Change %	Sep. 2013 USD
<b>CURRENT ASSETS</b>						
Cash	353,473	1.3%	429,455	(75,982)	-17.7%	185
Marketable investments	2,231,851	8.3%	1,247,451	984,400	78.9%	1,166
Accounts receivable, net	974,283	3.6%	2,986,706	(2,012,423)	-67.4%	509
Inventories	109,146	0.4%	112,043	(2,897)	-2.6%	57
Deferred charges and other assets	157,222	0.6%	119,410	37,812	31.7%	82
<b>Total current assets</b>	<b>3,825,975</b>	<b>14.3%</b>	<b>4,895,065</b>	<b>(1,069,090)</b>	<b>-21.8%</b>	<b>1,998</b>
<b>NON-CURRENT ASSETS</b>						
Long-term investments	933,149	3.5%	707,607	225,542	31.9%	487
Long-term accounts receivable	10,728,310	40.1%	1,916,517	8,811,793	459.8%	5,603
Inventories	59,226	0.2%	58,428	798	1.4%	31
Property, plant and equipment, net	3,161,242	11.8%	3,031,437	129,805	4.3%	1,651
Deferred charges and other assets	5,043,914	18.8%	12,148,548	(7,104,634)	-58.5%	2,634
Reappraisal of assets	3,013,492	11.3%	3,013,387	105	0.0%	1,574
<b>Total non-current assets</b>	<b>22,939,333</b>	<b>85.7%</b>	<b>20,875,924</b>	<b>2,063,409</b>	<b>9.9%</b>	<b>11,981</b>
<b>TOTAL ASSETS</b>	<b>26,765,308</b>	<b>100.0%</b>	<b>25,770,989</b>	<b>994,319</b>	<b>3.9%</b>	<b>13,979</b>
<b>CURRENT LIABILITIES</b>						
Outstanding bonds	913,968	3.4%	412,934	501,034	121.3%	477
Financial liabilities	479,677	1.8%	936,531	(456,854)	-48.8%	251
Accounts payable	1,045,096	3.9%	1,017,421	27,675	2.7%	546
Labor liabilities	32,418	0.1%	20,919	11,499	55.0%	17
Accrued liabilities and estimated provisions	250,131	0.9%	176,773	73,358	41.5%	131
Other liabilities	323,189	1.2%	259,299	63,890	24.6%	169
<b>Total current liabilities</b>	<b>3,044,479</b>	<b>11.4%</b>	<b>2,823,877</b>	<b>220,602</b>	<b>7.8%</b>	<b>1,590</b>
<b>LONG-TERM LIABILITIES</b>						
Outstanding bonds	6,007,881	22.4%	5,574,696	433,185	7.8%	3,138
Financial liabilities	1,914,796	7.2%	2,468,086	(553,290)	-22.4%	1,000
Accounts payable	1,116,281	4.2%	1,554,263	(437,982)	-28.2%	583
Labor liabilities	1,397	0.0%	1,433	(36)	-2.5%	1
Accrued liabilities and estimated provisions	802,354	3.0%	767,931	34,423	4.5%	419
Other liabilities	2,347,603	8.8%	2,296,767	50,836	2.2%	1,226
<b>Total long-term liabilities</b>	<b>12,190,312</b>	<b>45.5%</b>	<b>12,663,176</b>	<b>(472,864)</b>	<b>-3.7%</b>	<b>6,367</b>
<b>TOTAL LIABILITIES</b>	<b>15,234,791</b>	<b>56.9%</b>	<b>15,487,053</b>	<b>(252,262)</b>	<b>-1.6%</b>	<b>7,957</b>
<b>Minority interests</b>	<b>3,984,758</b>	<b>14.9%</b>	<b>4,173,321</b>	<b>(188,563)</b>	<b>-4.5%</b>	<b>2,081</b>
Subscribed and paid in capital	36,916	0.1%	36,916	-	0.0%	19
Capital Surplus	1,445,509	5.4%	1,445,509	-	0.0%	755
Reserves	999,186	3.7%	934,492	64,694	6.9%	522
Net income	327,308	1.2%	272,938	54,370	19.9%	171
Cumulative translation adjustment	(193)	0.0%	(9,091)	8,898	-97.9%	0
Equity revaluation	415,645	1.6%	415,645	-	0.0%	217
Surplus from asset reappraisals	2,566,352	9.6%	2,563,287	3,065	0.1%	1,340
Surplus from equity method	1,755,036	6.6%	450,919	1,304,117	289.2%	917
<b>Total Shareholders' Equity</b>	<b>7,545,759</b>	<b>28.2%</b>	<b>6,110,615</b>	<b>1,435,144</b>	<b>23.5%</b>	<b>3,941</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<b>26,765,308</b>	<b>100.0%</b>	<b>25,770,989</b>	<b>994,319</b>	<b>3.9%</b>	<b>13,979</b>

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## ISA S.A. E.S.P. - CONSOLIDATED - CASH FLOW STATEMENT (Unaudited)

JANUARY – SEPTEMBER 2013

Figures in millions of Colombian pesos

	9M13	9M12	Change COP	Change %	9M13 USD
<b>Cash flows from operating activities:</b>					
Net income	327,308	221,386	105,922	48%	171
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operational activities:					
Minority interest	13,624	446,064	(432,440)	-97%	7
Depreciation of properties, plant and equipment	118,079	115,882	2,197	2%	62
Amortization of deferred and other assets	151,448	425,279	(273,831)	-64%	79
Amortization of retirement pensions and extralegal benefits – net	24,132	24,994	(862)	-3%	13
Provision for accounts receivable	452,151	-	452,151		236
Provision for inventory protection	300	-	300		0
Investment provision	255	53	202	381%	0
Income tax provision	41,411	441,157	(399,746)	-91%	22
Loss in property, plant and equipment disposal and retirement	6,419	9,345	(2,926)	-31%	3
Cost for rights of anticipated renewal of Concession 059/2001 CTEEP	203,208	(25,599)	228,807	-894%	106
(Expense) Income for foreign exchange rate conversion	-	(1,054)	1,054	-100%	-
Recovery of provisions	349,043	532,684	(183,641)	-34%	182
Accrued interest and commissions	<b>1,687,378</b>	<b>2,190,191</b>	<b>(502,813)</b>	<b>-23%</b>	881
<b>Changes in operating assets and liabilities:</b>					
Debtors	(325,442)	13,443	(338,884)	-2521%	(170)
Receivables for early contract renewal compensation 059/2001	1,734,524	-	1,734,524		906
Inventories	1,169	17,172	(16,003)	-93%	1
Deferred and other assets	(36,075)	69,032	(105,107)	-152%	(19)
Accounts payable	383,629	31,704	351,925	1110%	200
Labor liabilities	11,463	(3,884)	15,347	-395%	6
Estimated liabilities and provisions	16,801	4,117	12,684	308%	9
Collections in favor of third-parties	(27,725)	184,384	(212,109)	-115%	(14)
Minority interest	(302,917)	(220,146)	(82,771)	38%	(158)
Variation Shareholders' equity	2,960	(4)			
Cash flows in other operations:					
Retirement pension payments	(25,011)	(23,518)	(1,493)	6%	(13)
Tax payments	(321,538)	(443,134)	121,596	-27%	(168)
<b>Net cash provided by operating activities</b>	<b>2,799,215</b>	<b>1,819,357</b>	<b>979,858</b>	<b>54%</b>	1,462
<b>Cash flows from investment activities:</b>					
Variation of permanent and long term investments	(61,243)	14,168	(75,411)	-532%	(32)
Sale of property, plant and equipment	799	-	799		0
Intangible acquisitions	(324,538)	(712,252)	387,714	-54%	(170)
Purchase of property, plant and equipment	(254,040)	(176,761)	(77,279)	44%	(133)
<b>Net cash used by investment activities</b>	<b>(639,022)</b>	<b>(874,845)</b>	<b>235,823</b>	<b>-27%</b>	<b>(334)</b>
<b>Cash flows from financing activities:</b>					
Interest received in cash	121,373	13,995	107,378	767%	63
Interest paid in cash	(690,744)	(852,706)	161,962	-19%	(361)
Dividends paid	(208,243)	(245,904)	37,661	-15%	(109)
Increase in financial obligations	214,900	1,257,509	(1,042,609)	-83%	112
Bond Issue	1,146,419	620,547	525,872		599
Payment of financial obligations	(1,412,663)	(1,164,984)	(247,679)	21%	(738)
Bond payment	(422,817)	(212,348)	(210,469)	99%	(221)
<b>Net cash used by financing activities</b>	<b>(1,251,775)</b>	<b>(583,891)</b>	<b>(667,884)</b>	<b>114%</b>	(654)
Net increase (decrease) in cash and cash equivalents	<b>908,418</b>	<b>360,621</b>	<b>547,797</b>	<b>152%</b>	474
Cash and equivalents at the beginning of quarter	<b>1,676,906</b>	<b>1,412,951</b>	<b>263,955</b>	<b>19%</b>	876
<b>CASH AND EQUIVALENTS AT QUARTER END</b>	<b>2,585,324</b>	<b>1,773,572</b>	<b>811,752</b>	<b>46%</b>	1,350

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## ISA S.A. E.S.P. - INDIVIDUAL - INCOME STATEMENT (Unaudited)

JANUARY – SEPTEMBER 2013

Figures in millions of Colombian pesos

	3Q13	3Q12	Change COP	Var. %	3Q13 USD	9M13	9M12	Change COP	Change %	9M13 USD
<b>OPERATING REVENUES</b>										
Energy transmission services	215,501	209,231	6,270	3.0%	113	634,445	627,050	7,395	1.2%	331
Connection charges	25,720	22,980	2,740	11.9%	13	73,657	70,875	2,782	3.9%	38
Infrastructure Projects	4,938	6,490	(1,552)	-23.9%	3	8,989	19,738	(10,749)	-54.5%	5
Telecommunications	4,548	4,327	221	5.1%	2	13,542	13,303	239	1.8%	7
Other services	5,398	4,309	1,089	25.3%	3	14,938	16,651	(1,713)	-10.3%	8
<b>TOTAL OPERATING REVENUES</b>	<b>256,105</b>	<b>247,337</b>	<b>8,768</b>	<b>3.5%</b>	<b>134</b>	<b>745,571</b>	<b>747,617</b>	<b>(2,046)</b>	<b>-0.3%</b>	<b>389</b>
<b>COSTS AND OPERATING EXPENSES</b>										
Operating costs and administration expenses	95,605	106,672	(11,067)	-10.4%	50	293,527	304,862	(11,335)	-3.7%	153
Depreciation	22,572	15,364	7,208	46.9%	12	65,063	68,267	(3,204)	-4.7%	34
Amortization	1,953	1,895	58	3.1%	1	5,500	5,514	(14)	-0.3%	3
Provisions	1,097	311	786	252.7%	1	2,462	1,402	1,060	75.6%	1
<b>TOTAL COSTS AND OPERATING EXPENSES</b>	<b>121,227</b>	<b>124,242</b>	<b>(3,015)</b>	<b>-2.4%</b>	<b>63</b>	<b>366,552</b>	<b>380,045</b>	<b>(13,493)</b>	<b>-3.6%</b>	<b>191</b>
<b>Operating Income</b>	<b>134,878</b>	<b>123,095</b>	<b>11,783</b>	<b>9.6%</b>	<b>70</b>	<b>379,019</b>	<b>367,572</b>	<b>11,447</b>	<b>3.1%</b>	<b>198</b>
<b>NON - OPERATING REVENUES</b>										
Financial	7,483	5,915	1,568	26.5%	4	28,050	23,349	4,701	20.1%	15
Exchange difference	1,979	-318	2,297	722.3%	1	43,864	11,553	32,311	279.7%	23
Equity Method	62,325	46,100	16,225	35.2%	33	201,180	122,467	78,713	64.3%	105
Other	1,206	2,138	(932)	-43.6%	1	4,504	9,397	(4,893)	-52.1%	2
<b>Total no-operating revenues</b>	<b>72,993</b>	<b>53,835</b>	<b>19,158</b>	<b>35.6%</b>	<b>38</b>	<b>277,598</b>	<b>166,766</b>	<b>110,832</b>	<b>66.5%</b>	<b>145</b>
<b>NON - OPERATING EXPENSES</b>										
Financial	31,511	40,704	(9,193)	-22.6%	16	99,928	116,487	(16,559)	-14.2%	52
Exchange difference	4,603	-1,394	5,997	430.2%	2	35,341	24,622	10,719	43.5%	18
Equity Method	30,734	37,879	(7,145)	-18.9%	16	104,356	94,970	9,386	9.9%	55
Other	438	290	148	51.0%	0	557	1,250	(693)	-55.4%	0
<b>Total no-operating expenses</b>	<b>67,286</b>	<b>77,479</b>	<b>(10,193)</b>	<b>-13.2%</b>	<b>35</b>	<b>240,182</b>	<b>237,329</b>	<b>2,853</b>	<b>1.2%</b>	<b>125</b>
<b>Non-operating results</b>	<b>5,707</b>	<b>(23,644)</b>	<b>29,351</b>	<b>124.1%</b>	<b>3</b>	<b>37,416</b>	<b>(70,563)</b>	<b>107,979</b>	<b>153.0%</b>	<b>20</b>
<b>Income before taxes</b>	<b>140,585</b>	<b>99,451</b>	<b>41,134</b>	<b>41.4%</b>	<b>73</b>	<b>416,435</b>	<b>297,009</b>	<b>119,426</b>	<b>40.2%</b>	<b>217</b>
Income tax provision	30,805	23,717	7,088	29.9%	16	89,127	75,623	13,504	17.9%	47
<b>NET INCOME</b>	<b>109,780</b>	<b>75,734</b>	<b>34,046</b>	<b>45.0%</b>	<b>57</b>	<b>327,308</b>	<b>221,386</b>	<b>105,922</b>	<b>47.8%</b>	<b>171</b>
<b>EBITDA</b>	<b>164,544</b>	<b>145,646</b>	<b>18,898</b>	<b>13.0%</b>	<b>86</b>	<b>465,390</b>	<b>456,103</b>	<b>9,287</b>	<b>2.0%</b>	<b>243</b>
EBITDA margin	64.2%	58.9%				62.4%	61.0%			
Operating margin	52.7%	49.8%				50.8%	49.2%			
Net margin	42.9%	30.6%				43.9%	29.6%			

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**ISA S.A. E.S.P. - INDIVIDUAL -  
BALANCE SHEET (Unaudited)  
SEPTEMBER 2013**  
*Figures in millions of Colombian pesos*

	Sep. 2013	% Part.	2012	Change COP	Change %	Sep. 2013 USD
<b>CURRENT ASSETS</b>						
Cash	125,052	1.2%	97,797	27,255	27.9%	65
Marketable investments	179,162	1.7%	137,789	41,373	30.0%	94
Accounts receivable, net	525,533	5.0%	529,318	(3,785)	-0.7%	274
Inventories	4,462	0.0%	28,284	(23,822)	-84.2%	2
Deferred charges and other assets	75,801	0.7%	72,658	3,143	4.3%	40
<b>Total current assets</b>	<b>910,010</b>	<b>8.7%</b>	<b>865,846</b>	<b>44,164</b>	<b>5.1%</b>	<b>475</b>
<b>NON-CURRENT ASSETS</b>						
Long-term investments	4,101,740	39.2%	2,727,530	1,374,210	50.4%	2,142
Long-term accounts receivable	21,011	0.2%	14,533	6,478	44.6%	11
Inventories	52,419	0.5%	53,328	(909)	-1.7%	27
Property, plant and equipment, net	2,465,975	23.6%	2,368,664	97,311	4.1%	1,288
Deferred charges and other assets	335,833	3.2%	319,117	16,716	5.2%	175
Reappraisal of assets	2,566,352	24.6%	2,563,287	3,065	0.1%	1,340
<b>Total non-current assets</b>	<b>9,543,330</b>	<b>91.3%</b>	<b>8,046,459</b>	<b>1,496,871</b>	<b>18.6%</b>	<b>4,984</b>
<b>TOTAL ASSETS</b>	<b>10,453,340</b>	<b>100.0%</b>	<b>8,912,305</b>	<b>1,541,035</b>	<b>17.3%</b>	<b>5,460</b>
<b>CURRENT LIABILITIES</b>						
Outstanding Bonds	-	0.0%	110,000	(110,000)	-100.0%	-
Financial liabilities	7,259	0.1%	6,704	555	8.3%	4
Related financial parties	-	0.0%	31,908	(31,908)	-100.0%	-
Accounts payable	273,643	2.6%	243,363	30,280	12.4%	143
Labor liabilities	12,666	0.1%	7,639	5,027	65.8%	7
Accrued liabilities and estimated provisions	108,497	1.0%	53,173	55,324	104.0%	57
Other liabilities	13,871	0.1%	11,110	2,761	24.9%	7
<b>Total current liabilities</b>	<b>415,936</b>	<b>4.0%</b>	<b>463,897</b>	<b>(47,961)</b>	<b>-10.3%</b>	<b>217</b>
<b>LONG-TERM LIABILITIES</b>						
Outstanding bonds	1,102,500	10.5%	991,365	111,135	11.2%	576
Financial liabilities	320,795	3.1%	316,625	4,170	1.3%	168
Related parties	290,454	2.8%	255,060	35,394	13.9%	152
Accounts payable	20,297	0.2%	50,462	(30,165)	-59.8%	11
Labor liabilities	1,397	0.0%	1,433	(36)	-2.5%	1
Accrued liabilities and estimated provisions	140,149	1.3%	136,359	3,790	2.8%	73
Other liabilities	615,860	5.9%	577,398	38,462	6.7%	322
<b>Total long-term liabilities</b>	<b>2,491,452</b>	<b>23.8%</b>	<b>2,328,702</b>	<b>162,750</b>	<b>7.0%</b>	<b>1,301</b>
<b>TOTAL LIABILITIES</b>	<b>2,907,388</b>	<b>27.8%</b>	<b>2,792,599</b>	<b>114,789</b>	<b>4.1%</b>	<b>1,518</b>
Subscribed and paid in capital	36,916	0.4%	36,916	0	0.0%	19
Capital Surplus	1,445,509	13.8%	1,445,509	0	0.0%	755
Reserves	999,186	9.6%	934,492	64,694	6.9%	522
Net income	327,308	3.1%	272,938	54,370	19.9%	171
Surplus from asset reappraisals	2,566,352	24.6%	2,563,287	3,065	0.1%	1,340
Surplus from equity method	1,755,036	16.8%	450,919	1,304,117	289.2%	917
Equity revaluation	415,645	4.0%	415,645	-	0.0%	217
<b>Total Shareholders' Equity</b>	<b>7,545,952</b>	<b>72.2%</b>	<b>6,119,706</b>	<b>1,426,246</b>	<b>23.3%</b>	<b>3,941</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<b>10,453,340</b>	<b>100.0%</b>	<b>8,912,305</b>	<b>1,541,035</b>	<b>17.3%</b>	<b>5,460</b>

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**ISA S.A. E.S.P. - INDIVIDUAL -  
CASH FLOW STATEMENT (Unaudited)  
JANUARY – SEPTEMBER 2013  
Figures in millions of Colombian pesos**

	9M13	9M12	Var. \$	Var. %	9M13 USD
<b>Cash flows from operating activities:</b>					
Net income	327,308	221,386	105,922	47.8%	171
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operational activities:					
Depreciation of properties, plant and equipment	65,063	68,267	(3,204)	-4.7%	34
Amortization of deferred and other assets	5,500	5,514	(14)	-0.3%	3
Amortization of retirement pensions and extralegal benefits – net (Recovery-Write Off) Provision of accounts receivable	13,346	13,348	(2)	0.0%	7
(Recovery) Investment provision	(1,823)	(379)	(1,444)	381.0%	(1)
Penalties asset provisions	300	(241)	541	-224.5%	0
Recovery of investments	-	(56)	56	-100.0%	-
Income tax provision	(193)	(236)	43	-18.2%	(0)
Loss in property, plant and equipment disposal and retirement (Expense) Income for foreign exchange rate conversion	89,127	75,623	13,504	17.9%	47
Income for equity method	39	1,045	(1,006)	-96.3%	0
Accrued interest and commissions	(9,357)	13,066	(22,423)	-171.6%	(5)
	(96,824)	(27,496)	(69,328)	252.1%	(51)
	79,201	97,585	(18,384)	-18.8%	41
	<b>471,687</b>	<b>467,426</b>	<b>4,261</b>	<b>0.9%</b>	<b>246</b>
<b>Changes in operating assets and liabilities:</b>					
Debtors	18,811	57,660	(38,849)	-67.4%	10
Inventories	72	8,393	(8,321)	-99.1%	0
Deferred and other assets	(3,681)	(518)	(3,163)	610.6%	(2)
Accounts payable	127,478	41,864	85,614	204.5%	67
Labor liabilities	4,991	4,772	219	4.6%	3
Estimated liabilities and provisions	(11,221)	(15,565)	4,344	-27.9%	(6)
Other liabilities	58,620	57,068	1,552	2.7%	31
<b>Cash flows in other operations:</b>					
Retirement pension payments	(9,404)	(9,419)	15	-0.2%	(5)
Payment of taxes and contributions	(156,853)	(149,207)	(7,646)	5.1%	(82)
<b>Net cash provided by operation activities</b>	<b>500,500</b>	<b>462,474</b>	<b>38,026</b>	<b>8.2%</b>	<b>261</b>
<b>Cash flows from investment activities:</b>					
Purchase of permanent and long term investments	(58,270)	(6,606)	(51,664)	782.1%	(30)
Dividends paid	86,804	62,282	24,522	39.4%	45
Sale of property and equipment	-	412	(412)	-100.0%	-
Purchase of property, plant and equipment	(176,861)	(73,459)	(103,402)	140.8%	(92)
Additions (disposals) of deferred and other assets	(6,143)	(4,791)	(1,352)	28.2%	(3)
<b>Net cash used by investment activities</b>	<b>(154,470)</b>	<b>(22,162)</b>	<b>(132,308)</b>	<b>9</b>	<b>(81)</b>
<b>Cash flows from financing activities:</b>					
Interest received in cash	11,960	8,788	3,172	36.1%	6
Interest paid in cash	(78,770)	(88,200)	9,430	-10.7%	(41)
Dividends paid	(208,243)	(245,904)	37,661	-15.3%	(109)
Increase in financial obligations	-	71,410	(71,410)	-100.0%	-
Bonds variation	1,135	-	1,135	0.0%	1
Change in financial obligations	(3,484)	(128,362)	124,879	-97.3%	(2)
<b>Net cash used by financing activities</b>	<b>(277,402)</b>	<b>(382,268)</b>	<b>104,867</b>	<b>-27.4%</b>	<b>(145)</b>
Net increase (decrease) in cash and cash equivalents	68,628	58,044	10,585	18.2%	36
Cash and equivalents at the beginning of the year	<b>235,586</b>	<b>157,173</b>	78,413	49.9%	123
<b>CASH AND EQUIVALENTS AT THE YEAR END</b>	<b>304,214</b>	<b>215,217</b>	<b>88,998</b>	<b>41.4%</b>	<b>159</b>

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